Structure Policy Directive

Number:	SPD 1-5
References:	PD-09 "Project Risk Management"
Effective Date:	June 30, 2017
Supersedes:	September 1, 2014

TITLE Project Risk Management for Bridges and Structures

DIRECTIVE

In accordance with the California Bridges and Structures Strategic Direction Objective #8 "Balance performance, lifecycle cost, time, delivery and risk to optimize total value", this Structure Policy Directive (SPD) establishes policy for the management of bridge and structure risks in California. Project Risk Management (PRM) must be applied to bridge and structure projects in compliance with the requirements of the California Department of Transportation (Caltrans) Project Delivery Directive PD-09 "Project Risk Management."

INTENDED RESULTS

The objective of the PRM process is to ensure project risks are managed to the extent possible during the entire project life cycle.

BACKGROUND

PRM is a process to identify, assess, respond to, monitor and communicate project risks during project delivery. A risk is an uncertain event or condition that, if it occurs, has a negative (threat) or positive (opportunity) effect on at least one project objective. Proper PRM practices help identify and minimize negative impacts on project scope, cost, schedule and/or quality. PRM also helps to identify and take advantage of opportunities that may arise to enhance the project success. A key component of PRM is the risk register. This tool is used to identify, assess, develop responses to, and monitor the project risks and to communicate them to the Project Development Team (PDT) members, stakeholders, project sponsors and the public.

The formal application of PRM practices at Caltrans dates back to 2004, shortly after the publication of *Caltrans' Project Risk Management Handbook First Edition*. In 2012, a new PRM policy (PD-09) was issued to "actively require" PRM, where previous PRM policy merely "encouraged" its application. PD-09 now mandates its application and provides for accountability checkpoints. In addition, the concept of "scalability" was introduced such that, resources spent toward the PRM effort would be commensurate to total project cost. Please refer to the following link for Caltrans guidance on PRM:

http://www.dot.ca.gov/hq/projmgmt/guidance_prmhb.htm

DEFINITIONS

See Caltrans Project Delivery Directive PD-09 "Project Risk Management."

RESPONSIBILITIES

Structure Policy Board Members or Principal Engineers:

- Enforce PRM policy compliance
- Advocate continual improvement for a risk management based culture
- Mandate that PRM be included in the project delivery process and in all relevant guidance material

Managers and Supervisors:

- Oversee and enforce PRM participation and compliance
- Ensure that subordinates are trained in PRM and comply with PRM policies and procedures
- Advocate continual improvement of PRM practices

Engineers of Record (Project Engineers), Liaison Engineers, and DES PDT Members

- As a participant of the PDT, the Structure Project Engineer leads in the gathering and communication of all bridge and structure risks from all functional units and delivers them to the Project Manager
- Comply with Caltrans' PRM policies and procedures
- Must actively participate in the PRM process by identifying, assessing, responding to, monitoring and communicating all bridge and structure risks in order to enhance opportunities and/or reduce threats to project scope, cost, schedule and/or quality

APPLICABILITY

All staff involved in the development of bridge and structure plans, specifications and estimates.

The members of the Structure Policy Board hereby approve this Directive.

APPROVED BY:

THOMAS A. OSTROM
State Bridge Engineer
Deputy Division Chief
Structure Policy & Innovation
Division of Engineering Services